ACCOUNTING FUNDAMENTALS

Students successfully completing the competencies listed below in any of Iowa's School Districts may seek advanced standing in any of Iowa's Community College Business and Technology programs requiring Accounting Fundamentals.

APPLYING FOR ADVANCED STANDING STATUS: Students interested in seeking advanced standing status should visit with their high school business instructor or counselor about the process. Following application and a review of the certificate(s), the respective community college will determine the "advanced standing status" of the student. To officially obtain advanced standing status, the student must be admitted to one of the community colleges and enroll in a Business and Technology program of study within one academic year of graduation from high school. The advanced standing will be reflected on the student's college transcript in accordance with community college guidelines. Students making application to programs other than Business and Technology should contact the appropriate community college concerning advanced standing.

DEMONSTRATE UNDERSTANDING OF THE ACCOUNTING EQUATION

- Define and use accounting terminology
- From a list of account names, identify as assets, liabilities, and owner's equity
- Identify the effects of revenues and expenses on owner's equity
- Identify the effects of investments and withdrawals on owner's equity

ANALYZE TRANSACTIONS FOR SERVICE AND MERCHANDISING BUSINESSES

- Name the accounts involved
- Classify those accounts
- Determine how each account balance changes
- Determine whether the accounts are debited or credited

JOURNALIZE TRANSACTIONS AND POST TO ACCOUNTS

- Journalize transactions in the general journal
- Journalize transactions in the special journal
 - purchase journal
 - cash payments journal
 - sales journal
 - cash receipts journal.
- Post to accounts
 - general ledger
 - subsidiary ledgers

COMPLETE THE ACCOUNTING CYCLE FOR MERCHANDISING AND SERVICE BUSINESSES

- Prepare trial balance
- Complete a worksheet
- Journalize and post adjusting entries.
- Prepare financial statements
 - Income statement
 - Owner's equity statement
 - Balance sheet
 - Prepare a post-closing trial balance
- Journalize and post closing entries

CALCULATE AND RECORD RECEIVABLES

- Analyze accounts receivable
 - Prepare entries for recording uncollectable accounts
- Analyze notes receivable
 - Record establishment and receipt of notes and interest

CALCULATE AND RECORD PAYABLES

- Analyze notes payable
 - Record issuance and payment of notes and interest

RECONCILE A BANK STATEMENT

- Reconcile a bank statement
- Record journal entries

MAINTAIN A PETTY CASH FUND

- Establish a petty cash fund
- Record entries to replenish petty cash
- Calculate and record cash short and over

MAINTAIN PAYROLL ACCOUNTING RECORDS

- Prepare a payroll register and earnings record
- Calculate employer's liability for payroll taxes
- Record journal entries for payroll